

August 9, 2004

Honorable James H. Welsh
Commissioner of Conservation
Department of Natural Resources
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: Third Duhon Sand, Reservoir I
ABBEVILLE FIELD
Vermilion Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Republic Resources, L.L.C., to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Third Duhon Sand, Reservoir I, in the Abbeville Field, Vermilion Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of oil and gas from the Third Duhon Sand, Reservoir I, in the Abbeville Field, Vermilion Parish, Louisiana.
2. To create a single drilling and production unit for this sand and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
3. To designate a unit operator and a unit well for the unit so created.
4. To provide that any well drilled outside of the Third Duhon Sand, Reservoir I, shall be in accordance with the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner may reclassify the Reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
6. To discuss any other matters that may be pertinent to this application.

The Third Duhon Sand, Reservoir I, in the Abbeville Field, Vermilion Parish, Louisiana, was fully defined by Office of Conservation Order No. 115-A-15, effective September 17, 1991.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and unit plat in a prominent place in the area of the Abbeville Field, Vermilion Parish, Louisiana, and will cause the legal notice of the hearing to be PUBLISHED in a newspaper of general circulation published in the vicinity of the Abbeville Field, Vermilion Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from Leon E. Comeaux & Associates, P. O. Box 53922, Lafayette, Louisiana 70505 (337)233-9839.

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on August 5, 2004, at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. Leon Comeaux, representing Republic Resources, L.L.C., concerning the nature and purpose of the conference and the bases for the applicant's proposed unit.

Mr. Bryan Groves, representing Coastline Energy Corporation, proposed a 125 Acre unit based on core data in the Louisiana Gas - Moss No. 1 Well, located in Section 44, Township 12 South, Range 3 East.

There was a question and answer period after which the meeting was adjourned with the understanding that there would be further discussions to see if a compromise can be reached.

After further discussion differences have been resolved and the parties agreed to compromise. A compromise was reached by projecting two sand thicknesses below the base of the Moss No. 1 Well. You will find the compromise plat attached to the application.

There are attached hereto and made a part hereof a revised plat outlining the proposed unit, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said list of parties will be provided to any party requesting a copy. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Republic Resources, L.L.C., in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Leon E. Comeaux

LEC/cu

Enclosures

cc: Mr. Richard Hudson
Office of Conservation
825 East Kaliste Saloom Rd.
Brandywine III, Ste. 220
Lafayette, Louisiana 70508-4284

Interested Parties, Interested
Owners and Represented Parties

